

**CAPITAL FINANCING PROGRAM  
(CFP)**

**Loan Application Package**  
Certificate of Indebtedness

**North Dakota Municipal Bond Bank**

**Bismarck, North Dakota**

## **North Dakota Municipal Bond Bank Capital Financing Program**

### **Explanation of Application Review and Approval Process**

This is the Bond Bank's application for financing through the Capital Financing Program (the "CFP"). Some of the requested information may not be relevant with respect to your school district and you may either leave those areas blank or mark them "NA."

Upon receipt of a complete application and if we have not already done so, the Bond Bank will prepare and send you a preliminary amortization schedule which will set out the amount of principal and interest payments you will be making over the term of the loan. The interest rates will be based upon current market rates and will be subject to change. The application will then be subject to an initial credit review by the Bond Bank and will also be reviewed by Evensen Dodge, Inc., the Bond Bank's financial advisor, who will provide the Bond Bank with a market analysis.

Following these reviews, the application and the analysis will be submitted to the Bond Bank's Advisory Committee for a recommendation to be made to the Industrial Commission. They must give approval for all Bond Bank loans.

If the Industrial Commission approves your loan request, the Bond Bank will work with you and your bond counsel in the preparation of the loan documents, which will be needed for the loan closing. The Bond Bank will also schedule and prepare to issue a series of CFP Bonds, the proceeds of which will be used to make the loan by purchasing your municipal securities. The final interest rates on the municipal securities will be set when the CFP Bonds are sold. A final amortization schedule will be prepared following the sale of the CFP Bonds when the loan closing date is set.

The costs to you for the financing will include, in addition to interest and principal payments, an administrative fee, which will not exceed the lesser of .5% of the principal amount of the loan or \$7,000; an administrative fee of 1% of the loan amount, which represents a fee paid by the Bond Bank to the Bank of North Dakota for a letter of credit in the amount required for the Bond Bank's reserve fund; bond counsel fees; and any other fees or expenses you may incur. The underwriter's discount with respect to the CFP Bonds, which will not exceed 1.5% of the loan amount, and the administrative fees will be deducted from the loan proceeds.

Please take these fees and costs into account when you calculate the requested loan amount.

You will be responsible for retaining bond counsel to represent you in this transaction and for negotiating the fees for that service. If you have not worked with an attorney as bond counsel, here is a list of the in-state firms who are recognized bond counsel:

Arntson & Stewart  
51 Broadway, Suite 603  
PO Box 789  
Fargo, ND 58102  
701-280-0195

Ohnstad Twichell  
901 13<sup>th</sup> Avenue East  
PO Box 458  
West Fargo, ND 58078-0458  
701-282-3249

Cook Wegner & Wike PLLP  
Kirkwood Office Tower  
919 S 7<sup>th</sup> St., Suite 207  
Bismarck, ND 58504  
701-255-1008

Steven L. Vogelpohl  
Wells Fargo Bank Building  
400 East Broadway, Suite 501  
PO Box 2399  
Bismarck, ND 58502-2399  
701-258-9847

Dorsey & Whitney  
Dakota Center  
51 North Broadway, Suite 201  
Fargo, ND 58107-1344  
701-235-9969

You should retain the services of bond counsel as soon as possible. It is important that you do this because the municipal securities you will deliver to the Bond Bank for your loan must be validly issued and must be legally enforceable, binding obligations. Your bond counsel will assist you and your local counsel with respect to necessary action to be taken by your governing body concerning the authorization and issuance of the municipal securities and in answering any questions you may have concerning the loan.

Please call us if you have any questions or need any additional information concerning the application or the review process.

**CAPITAL FINANCING PROGRAM  
LOAN APPLICATION**

**NORTH DAKOTA MUNICIPAL BOND BANK  
700 EAST MAIN AVENUE  
PO BOX 5509  
BISMARCK, ND 58506-5509  
PHONE: 800-526-3509  
(701) 328-7100  
FAX: (701) 328-7130  
E-MAIL: [ndmbb@state.nd.us](mailto:ndmbb@state.nd.us)  
WEBSITE: [www.state.nd.us/bondbank](http://www.state.nd.us/bondbank)**

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**This program application must be accompanied by the most recent month-end balance sheet of the school district and copies of its two most recent annual audited financial statements and its two most recent annual financial reports. Requested information which appears in the financial statements or reports may be incorporated by reference.**

Upon receipt and review of this application, the Bond Bank may request additional information or an explanation or clarification of the information provided before the application is determined to be complete.

**All information provided in this program application is certified by the public official whose name appears below to be true and correct as of the date of application given above.**

School District: \_\_\_\_\_

By: \_\_\_\_\_

Address: \_\_\_\_\_

\_\_\_\_\_ ND \_\_\_\_\_

Telephone Number: \_\_\_\_\_ - \_\_\_\_\_ - \_\_\_\_\_

Fax: \_\_\_\_\_ - \_\_\_\_\_ - \_\_\_\_\_

Email: \_\_\_\_\_

**A. GENERAL**

1. Tax Identification Number: \_\_\_\_\_

2. Contact Persons:

Superintendent: \_\_\_\_\_

Business Manger: \_\_\_\_\_

Mailing Address (please include a street number): \_\_\_\_\_

\_\_\_\_\_

Telephone Number: \_\_\_\_\_

Fax: \_\_\_\_\_

School District's Local Counsel: \_\_\_\_\_

School District's Bond Counsel: \_\_\_\_\_

Instructions for Completing Part B Worksheet  
(All amounts should be rounded to the nearest dollar)

1. Enter the amount of the actual ending budget amount for the prior year.
2. Enter the actual amount of the ending general fund balance.
- 3-5. Enter the actual or expected revenues for each category for the months shown.
6. Enter the total actual or expected revenue amount for each month shown through the end of the current fiscal year.
7. Enter the total of the actual or expected expenditures for each month shown. Expected expenditures should be entered based upon accrued liabilities, without regard to whether sufficient funds are available to make the expenditures.
8. The amount to be shown here for each month is calculated by starting with the amount shown in #2 (the prior year's ending cash balance), adding the amount shown in #6 (total revenues), and subtracting the amount shown in #7 (total expenditures). After completing the first month's cumulative ending balance, the cumulative ending balance for each succeeding month is calculated by adding the total revenue amount and subtracting the total expenditure amount. A deficit should be indicated by parentheses.
9. Enter the greatest amount of any month-end deficit amounts shown under #8.
10. Enter five percent of the amount shown in #1, the prior year's ending budget.
11. Enter the total of #9 and #10. This amount is the maximum amount which the school district is permitted to borrow on a tax-exempt basis under the federal tax laws and regulations and is subjected to change, depending upon the applicability of certain tax laws and regulations.

**B. WORKSHEET FOR CALCULATION OF LOAN AMOUNT**

1. TOTAL ENDING BUDGET FOR 2000-01: \_\_\_\_\_

2. CASH BALANCE IN GENERAL FUND ON JUNE 30, 2001: \_\_\_\_\_

DATE	3. PROPERTY TAXES	4. STATE AID	5. OTHER INCOME	6. TOTAL REVENUES	7. TOTAL EXPENDITURES	8. CUMULATIVE ENDING BALANCE
31-July -01	_____	_____	_____	_____	_____	_____
31-Aug-01	_____	_____	_____	_____	_____	_____
30-Sep-01	_____	_____	_____	_____	_____	_____
31-Oct-01	_____	_____	_____	_____	_____	_____
30-Nov-01	_____	_____	_____	_____	_____	_____
31-Dec-01	_____	_____	_____	_____	_____	_____
31-Jan-02	_____	_____	_____	_____	_____	_____
29-Feb-02	_____	_____	_____	_____	_____	_____
31-Mar-02	_____	_____	_____	_____	_____	_____
30-Apr-02	_____	_____	_____	_____	_____	_____
31-May-02	_____	_____	_____	_____	_____	_____
30-Jun-02	_____	_____	_____	_____	_____	_____
31-Jul-02	_____	_____	_____	_____	_____	_____
31-Aug-02	_____	_____	_____	_____	_____	_____
29-Sep-02	_____	_____	_____	_____	_____	_____
31-Oct-02	_____	_____	_____	_____	_____	_____
30-Nov-02	_____	_____	_____	_____	_____	_____

9. Maximum cumulative monthly deficit: \$ \_\_\_\_\_

10 Five percent of #1 (prior year's ending budget): \$ \_\_\_\_\_

11. Total of #9 plus #10 (Maximum Loan Amount): \$ \_\_\_\_\_ (The requested loan amount may be less than this amount)

## B. OUTSTANDING INDEBTEDNESS

1. Present Indebtedness. Please list or attach a debt service schedule for the existing debt of the school district. **Be sure to include all general obligation debt, building fund debt, certificate of indebtedness and lease obligations.** If you need more room for listing the requested information, please do so on a separate attachment. You may also reference the appropriate pages in your most recent annual financial statements included with this application.

Year Issued	Purpose	Type of Bond	Initial Amount	Outstanding Balance	Avg. Annual P&I Payment Amount	Final Maturity Date

2. Anticipated Indebtedness. Please list on a separate attachment any known future indebtedness of any type, including lease financing, which the school district intends to issue or incur in the next twenty-four months. Include in the description the type of debt, estimated amount and the final maturity.
3. Defaults. If the political subdivision has ever defaulted in the payment of principal or interest on any of its outstanding indebtedness, please attach a written description of the default and any corrective measures taken by the school district.



### C. ECONOMIC AND SOCIAL INFORMATION

1. Population of political subdivision:

2000 \_\_\_\_\_ 1990 \_\_\_\_\_ 1980 \_\_\_\_\_

2. School enrollment for the current school year and the past four school years, and projected for the next two years.

<u>School Year</u>	<u>Elementary</u>	<u>Junior High School</u>	<u>High School</u>	<u>Total</u>
_____ *	_____	_____	_____	_____
_____ *	_____	_____	_____	_____
_____ *	_____	_____	_____	_____
_____ *	_____	_____	_____	_____
_____ **	_____	_____	_____	_____
_____ ***	_____	_____	_____	_____
_____ ***	_____	_____	_____	_____

\*Past four years

\*\*Current year

\*\*\*Projected next two years

3. List the three largest employers within the boundaries of the political subdivision, if such information is available.

<u>Employer</u>	<u>Type of Business</u>	<u>Number of Employees</u>
_____	_____	_____
_____	_____	_____
_____	_____	_____

4. Please describe any significant changes concerning major employers within the boundaries of the school district during the past twenty-four months.

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5. Please list the three largest taxpayers as determined by taxable valuation and their most recent valuation:

<u>Name of Taxpayer</u>	<u>Type of Business</u>	<u>Taxable Valuation</u>
_____	_____	\$ _____
_____	_____	\$ _____
_____	_____	\$ _____

6. Number of tax-paying residences within the boundaries of the school district: \_\_\_\_\_
7. Number of tax-paying businesses within the boundaries of the school district: \_\_\_\_\_

(The Bond Bank will obtain the following information from the county auditor)

**D. TAX INFORMATION**

1. Taxable valuations (current year and previous four years):

Year	Full and True Valuation	Taxable Valuation

2. Property tax levies and collections (current year and previous four years):

Levy Year	Dollar Amount Of Levy	Amount Collected as of _____, 20__	Percentage Collected

Have any of these figures been adjusted to take into account the discount allowed for the early payment of taxes? Yes \_\_\_\_\_ No \_\_\_\_\_

If yes, please describe the manner in which the figures have been adjusted:

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3. Taxable valuation within the political subdivision:

Residential: \$ \_\_\_\_\_ Commercial: \$ \_\_\_\_\_  
 Agricultural: \$ \_\_\_\_\_ Utilities: \$ \_\_\_\_\_

4. Please list the three largest taxpayers as determined by taxable valuation and their most recent valuation:

Name of Taxpayer	Type of Business	Taxable Valuation
_____	_____	\$ _____
_____	_____	\$ _____
_____	_____	\$ _____

5. Political subdivision mill levies (current year and previous four years):

<b>Fund</b>	<b>Current</b>	<b>Prev 1</b>	<b>Prev 2</b>	<b>Prev 3</b>	<b>Prev 4</b>
General					
Building					
Sinking & Interest					
Asbestos					
Transportation					
High School Tuition					
Technology					
Share of Specials					
Other					
Totals for each year					